

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 DODE-00 PA-02 PRS-01 /096 W

----- 014533

R 141645Z NOV 75

FM AMCONSUL HALIFAX

TO SECSTATE WASHDC 1158

INFO AMEMBASSY OTTAWA

UNCLAS HALIFAX 378

E.O. 11652: N/A

TAGS: PINT, CA

SUBJECT : PRIME MINISTER TRUDEAU SPEAKS IN HALIFAX
ON ANTI-INFLATION MEASURES

1. ON NOVEMBER 13, 1975 THE ATLANTIC PROVINCES
ECONOMIC COUNCIL SPONSORED A 15 DOLLAR A PLATE DINNER
AT THE HOTEL NOVA SCOTIAN IN HALIFAX AT WHICH THE
SPEAKER WAS PRIME MINISTER PIERRE TRUDEAU. HIS SUBJECT
WAS THE GOVERNMENT'S ANTI-INFLATIONARY PROGRAM.

2. OUTSIDE THE HOTEL THE PRIME MINISTER WAS JEERED ON
HIS ARRIVAL BY ABOUT 20 OF THE STRIKING POSTAL WORKERS
WHOSE NUMBERS MIGHT HAVE BEEN LARGER HAD IT NOT BEEN
FOR EXTREMELY INCLEMENT WEATHER. THE AUDIENCE AT THE
DINNER WAS WARM IN ITS WELCOME AND WAS COMPRISED OF
PEOPLE FROM ALL WALKS OF LIFE AND NOT JUST PERSONS WHO
COULD AFFORD THE 15 DOLLAR A PLATE. ARRANGEMENTS HAD
BEEN MADE FOR A LARGE NUMBER OF PERSONS WHO COULD NOT
AFFORD THE MEAL TO BE INVITED AS GUESTS.

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3. NOTING THAT THE GOVERNMENT'S ANTI-INFLATION PROGRAM HAD BEEN INAUGURATED JUST A MONTH AGO, THE PRIME MINISTER SAID THAT FOR THE FIRST TIME HE NOW FELT THAT THE TONE OF THE CRUSADER WAS NO LONGER NEEDED AS THE CANADIAN PEOPLE NOW UNDERSTOOD AND WERE WILLING TO GO ALONG WITH THE PROGRAM. HE DESCRIBED THEM AS BEING A WILLING, SYMPATHETIC, CURIOUS, ALBEIT, ALSO CRITICAL AUDIENCE. QUOTE I SEE NOW THAT THIS ANTI-INFLATION FIGHT IS MUCH SIMPLER, NOT IN TECHNICAL TERMS, BUT IN DEMOCRATIC TERMS THAN THE GOVERNMENT HAD FIRST VISUALIZED QUOTE.

4. HE SAID THAT UNTIL THE PROGRAM HAD BEEN INTRODUCED THE ECONOMY HAD RELIED ON FREE COLLECTIVE BARGAINING AND THE FREE SETTING OF PRICES WITH ONLY MODERATE GOVERNMENT INTERVENTION. HOWEVER, IT HAD BECOME APPARENT TO THE CANADIAN PEOPLE THAT THE ECONOMY WAS OUT OF CONTROL AND THAT RULES WERE NEEDED TO GET IT BACK UNDER CONTROL. HE SAID THAT GROWTH THIS YEAR WOULD BE ABOUT ZERO. IT WAS BECAUSE NOBODY WAS IN CHARGE THAT THE ECONOMY WAS OUT OF CONTROL. THE PEOPLE HAD ASKED THE GOVERNMENT TO TAKE ACTION AND THE GOVERNMENT HAD ACTED BY INTRODUCING THE PRESENT ANTI-INFLATIONARY PROGRAM.

5. MR. TRUDEAU SAID THAT THE PROBLEM WAS SERIOUS BUT NOT INSOLUBLE. HE POINTED OUT THAT OTHER INDUSTRIAL NATIONS SUCH AS THE UNITED STATES, BRITAIN, JAPAN AND GERMANY ALL HAD PROBLEMS WITH INFLATION AND WERE TAKING MEASURES TO COPE WITH THEM.

6. THE PRIME MINISTER EMPHASIZED THAT THE CRUX OF THE PROBLEM IS TO KILL THE INFLATIONARY PSYCHOLOGY. HE

SAID THAT IT IS IMPORTANT TO DIFFERENTIATE BETWEEN A RISE IN THE COST OF LIVING AND INFLATION. SINCE THE 1973 OIL CRISIS THE COST OF PETROLEUM IMPORTED FROM UNCLASSIFIED

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OPEC COUNTRIES HAD RISEN BY FOUR TIMES. THIS IS A RISE IN THE COST OF LIVING AND WILL FOR THE TIME BEING AT LEAST BE SOMETHING WE HAVE TO LIVE WITH. INFLATION BECOMES A DISEASE WHEN VARIOUS SECTORS OF SOCIETY TRY TO PRETEND THAT THE COST OF LIVING HAS NOT GONE UP BY TRYING TO GET AS MUCH MONEY AS THEY HAD BEFORE. PEOPLE TRY TO GET AHEAD OF THE GAME AND ULTIMATELY IF THIS CONTINUES THE ECONOMY DESTROYS ITSELF. THIS HE

DESCRIBED AS A HYSTERICAL VIEW OF THE FUTURE.

7. NOW THE GOVERNMENT SAYS THAT THE RULES MUST BE OBEYED. THE UNIONS(AND THIS WAS THE NEAREST THE PRIME MINISTER CAME TO MENTIONING THE POSTAL STRIKE) ARE PRESENTLY THE MOST DIFFICULT TO CONVINCE OF THIS. THE PRIME MINISTER EMPHASIZED THAT WAGES AND PRICES ARE NOT FROZEN. THEY ARE SIMPLY BEING CONTROLLED. HE SAID THAT THE GOVERNMENT GUARANTEES THAT WAGES WILL GO UP AS FAST AS THE COST OF LIVING WHICH FOR THIS YEAR IS ESTIMATED AT 8 PERCENT. IF THE GOVERNMENT HAS UNDERESTIMATED THIS RISE, ADJUSTMENTS WILL BE MADE.

8. DESPITE PENALTIES FOR INFRACTION OF THE GUIDELINES, BASICALLY THE GOVERNMENT IS RELYING ON THE FREE WILL OF THE CANADIAN PEOPLE TO ABIDE BY THE RULES. THE GOVERNMENT IS NOT REALLY CHANGING PEOPLES' LIBERTY VERY MUCH. HE SAID THAT THERE WAS NO SINGLE VILLAIN THAT HAD BROUGHT THE PRESENT SITUATION ABOUT. IN A SENSE QUOTE WE ARE ALL VILLAINS QUOTE BECAUSE WE HAVE ALL BEEN TRYING TO CATCH UP.

9. IN A PERORATION THE PRIME MINISTER SAID THAT IT IS A TESTING TIME FOR DEMOCRACY. HE SAID THAT IT IS VERY DIFFICULT TO GET PEOPLE TO REFRAIN FROM ASKING FOR MORE THAN IS BEING PUT INTO THE ECONOMY. CAN WE REACH A CONSENSUS? THE WAY THAT CANADA DEALS WITH INFLATION WILL PROVIDE THE ANSWER. IN A GESTURE TO NOVA SCOTIA, MR. TRUDEAU AGREED WITH THE PROGRESSIVE CONSERVATIVE UNCLASSIFIED

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LEADER OF THE OPPOSITION, ROBERT STANFIELD, THAT THE FIGHT AGAINST INFLATION TO SOME DEGREE WILL ENTAIL QUOTE ROUGH JUSTICE QUOTE BUT THAT NONETHELESS IT MUST BE FOUGHT. IN A WARNING TO THE ATLANTIC PROVINCES MR. TRUDEAU SAID THAT THE FIGHT AGAINST INFLATION CANNOT BE USED BY VARIOUS POORER AREAS OF CANADA TO GET AS MUCH AS PEOPLE IN ONTARIO. MANBEY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRIME MINISTER, ECONOMIC CONDITIONS, SPEECHES, ANTIINFLATIONARY PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975HALIFA00378
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750398-0384
From: HALIFAX
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751143/aaaablvml.tel
Line Count: 162
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 26 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <26 AUG 2003 by chicheje>; APPROVED <25 FEB 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: : PRIME MINISTER TRUDEAU SPEAKS IN HALIFAX ON ANTI-INFLATION MEASURES
TAGS: PINT, CA, (TRUDEAU, PIERRE-ELLIOTT)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006